CITY OF CUPERTINO
10300 Torre Avenue
Cupertino, California 95014
RESOLUTION NO.16-103

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO ADOPTING THE 2016 ECONOMIC DEVELOPMENT STRATEGIC PLAN (EDSP) IN ORDER TO GUIDE THE CITY'S ECONOMIC DEVELOPMENT ACTIVITIES

WHEREAS, the City Council of the City of Cupertino authorized staff to develop the 2016 Economic Development Strategic Plan (EDSP) that guides economic activity in the City; and

WHEREAS, sales tax revenue in the City has been trending downwards due to: its location in a highly competitive retail market which is a challenge to attracting national and regional retailers to Cupertino due their presence within its trade area, the City's strong economy resulting in small and independent ratailers struggling to find affordable space in the city or competing with the service industry that is more parking intensive, a lack of affordable office spaces for growing, midsize firms in the 20,000 sq. ft. to 100,000 sq. ft. range; and a lack of diversity in revenues for the City's General Fund; and

WHEREAS, the City Council is interested in overcoming these issues and allow for continued economic development and improved fiscal health of the City; and

WHEREAS, development of the EDSP included community outreach, including, hosting a Community Forum on Local Business in August 2015 to engage community members, residents, business owners, and elected officials in identifying assets, opportunities and potential challenges to economic development in Cupertino and conducting telephone interviews with local business leaders and real estate experts to collect information, solicit feedback and present initial findings;

WHEREAS, in-person meetings were facilitated with the City's Economic Development Committee, the Cupertino Chamber of Commerce, and community meeting with the public; and

WHEREAS, the findings from these meetings and review of existing regulations of the City were presented to the City Council at a publicly noticed meeting on August 2, 2016; and

WHEREAS, the City Council adopted the EDSP at a duly noticed regular meeting.

NOW, THEREFORE, BE IT RESOLVED:

Section 1.

That after careful consideration of the facts, exhibits, staff report, testimony and other evidence submitted in this matter, the City Council does find as follows:

1. The foregoing recitals are true and correct and incorporated into this resolution by this reference.

2. The EDSP has been prepared to ensure continued economic prosperity and development within the City.
3. Adoption of this resolution is exempt from the California Environmental Quality Act because adoption of the EDSP in not a project, in that adoption of the Plan is an administrative activity that will not result in physical changes in the environments (CEQA Guidelines Section 15378(b)(5)).

Section 2.

The City Council does hereby adopt the 2016 Economic Development Strategic Plan as shown in "Exhibit A" attached to this resolution.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 4th day of October 2016, by the following vote:

Vote	Members of the City Council
AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

ATTEST:

Grace Schmidt
City Clerk

APPROVED:

Barry Chang, Mayor
City of Cupertino

EXHIBIT A

Economic Development Strategic Plan

Final Draft

September 13, 2016

prepared for:
City of Cupertino

STRATEGICECONOMICS

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I. INTRODUCTION

The City of Cupertino's Economic Development Strategic Plan (EDSP) is a policy document that will to guide the City's economic development activities over the next three to five years. The EDSP is framed around 11 strategies intended to strengthen existing businesses, foster a healthy economy, and maintain a healthy fiscal position. For each strategy, the EDSP identifies a range of specific action items for the City Council to consider. The strategies and action items are designed to strengthen the city's existing competitive advantages for economic development, and take action to address disadvantages.

The EDSP was developed after completing an analysis of demographic, economic, and real estate market trends, and receiving feedback from community members, business leaders and City Council. The community outreach process included the following components:

- Community Forum on Local Businesses: In August 2015, the City of Cupertino hosted a Community Forum to engage community members about the Economic Development Strategic Plan. At the Forum, residents, business owners, City staff, and elected officials identified assets, opportunities, and potential challenges related to economic development in Cupertino.[1]
- Interviews and Stakeholder Outreach: Strategic Economics completed telephone interviews with local business leaders and real estate experts to collect information and solicit feedback, and presented initial findings to the Cupertino Chamber of Commerce Legislative Action Committee.
- Economic Development Committee: Strategic Economics facilitated in-person meetings with the Cupertino Economic Development Committee, which consists of four City staff members, two City Council members and four representatives from the Cupertino Chamber of Commerce, to gather input regarding technical findings and strategies.
- City Council Study Session: City staff and Strategic Economics presented the findings and strategies from the Background Report to the Cupertino City Council for feedback.

The Background Report, completed in January 2016, provides the findings from the technical economic analysis and community outreach, and identifies the City's competitive advantages, issues, and opportunities for economic development.

This EDSP is organized into three sections: Following this Introduction, Section II presents a Summary of Findings from the Background Report, as well as the key economic development issues for the EDSP to address. Section III contains the Strategies and Action Items for implementing the EDSP.

[1] The input from the Forum is summarized in the Background Report.

II. SUMMARY OF FINDINGS

In order to provide a nuanced understanding of the City's economic opportunities and challenges, Strategic Economics analyzed local and regional trends in employment and businesses; Cupertino's fiscal position; the office sector; the retail sector; and the hotel sector. Strategic Economics also collected input from community members and stakeholders, including residents, business owners, City staff, and elected officials. The results of the technical analysis and the input from the community engagement are summarized in the Background Report. This section highlights the major opportunities and challenges related to economic development in Cupertino from the Background Report.

OPPORTUNITIES

Cupertino's location in the region, high quality of life, highly educated workforce, and existing employment base position the city well to attract and retain businesses. These opportunities are described below.

Location at the heart of Silicon Valley. Cupertino is located in western Santa Clara County, bordered by Sunnyvale, Santa Clara, San Jose, and Saratoga. The city's location provides excellent access to Interstate 280, a freeway that is relatively less congested compared to other of the region's freeways such as Highway 101. I-280 connects the city to highly skilled workers throughout the South Bay and to the Sand Hill Road Area, the hub of venture capital activity in the region.

Highly educated workforce. Nearly 80 percent of adults aged 25 and above in Cupertino have a college degree, with 40 percent holding advanced degrees. Most residents are also employed in professional occupations. The city's significant employment base attracts a net weekday inflow of 26,700 workers, who tend to be highly educated workers in professional occupations.

Excellent quality of life and first-rate school district. Cupertino's public schools have been recognized for their excellent quality both by the State of California and in the national media. The public school system and overall quality of life are very attractive for new households, especially families with children.

Thriving technology sector. Cupertino has nine employers with 250 or more workers, of which five are in technology or biotechnology. These include Apple, Seagate, Pegasystems, and Trend Micro. Other firms seek to locate in Cupertino in order to do business with these large employers as a vendor, partner, or consultant, and to take advantage of the city's location in the region.

High concentration of small firms and start-ups. Cupertino's strength in technology is not limited to large employers. Approximately 20 percent of the city's small and midsized businesses (defined as those with fewer than 250 employees) are in the technology industry.[2] Many of the small and midsize professional services firms – such as legal offices and consulting firms – support the technology sector, providing services to Apple and other technology firms. Compared to the South Bay as a whole, the city also has a very high concentration of very small firms (with one to four employees) in the professional and technical services industries. Cupertino is attractive for these small start-ups because of the highly skilled, entrepreneurial workforce that lives in the city and in neighboring communities.

[2] The technology sector includes businesses from several different industries, including professional and technical services, transportation and distribution, and manufacturing.

Strong demographics to support retail investments. High household spending power, excellent freeway accessibility, growing employment, and the significant inflow of daily commuters create significant potential for retail in Cupertino and other West Valley communities. Cupertino has been able to capitalize on this potential by attracting newer retail investments, including 130,000 square feet in the Main Street project, as well as renovations of existing centers like Homestead Square and Cupertino Village.

Healthy fiscal position. General fund revenues have grown steadily over the past several years as a result of economic growth and new real estate investments. Revenue sources that are directly tied to economic growth – including sales taxes, property taxes, and transient occupancy (hotel) taxes have grown steadily over the past several years as the economy has recovered and Cupertino has attracted new investment. Major development projects, such as Main Street and Apple Campus 2, have also generated significant one-time revenues from planning, zoning, engineering, permit processing fees, and other sources. Because of its strong fiscal position, the City has been able to maintain service levels at 2.80 to 3.01 full time equivalent (FTE) staff per thousand residents over the past ten years, even as Cupertino's population grew significantly during that time period.

CHALLENGES

While Cupertino has many economic assets, residents, business owners, City staff, and elected officials have concerns related to Cupertino's ability to recruit and retain an appropriate mix of businesses over time while also maintaining the city's excellent quality of life. These challenges are discussed below.

Highly competitive retail market. Cupertino has strong demographics for retail, and offers ample neighborhood shopping centers where residents can shop for groceries and other daily needs. However, since the downsizing of the Vallco shopping mall, residents generally travel to nearby large shopping centers like Westfield Valley Fair, Santana Row, and Stanford Shopping Center for dining and entertainment opportunities and to shop for clothing and other "specialty" goods. The presence of these large centers in close proximity poses a challenge for attracting similar types of national and regional retailers in Cupertino.

Challenging environment for independent retailers. Cupertino's strong economy has driven significant demand for retail space, resulting in low vacancies and high rents. As a result, small and independent retail businesses reportedly struggle to find affordable space in the city. There is also a concern that traditional retailers selling goods are being replaced with services (e.g., tutoring centers, day cares) that require more parking than some existing shopping centers can provide and may not generate the same level of sales tax revenues.

Lack of affordable office spaces for growing, midsize firms. Compared to the South Bay, Cupertino has fewer businesses and employees in firms employing between 10 and 250 workers, and the number of businesses in this size range is declining, partly due to a lack of office space to accommodate them. Strong demand for office space, combined with competition from corporate users like Apple, results in scarce leasing opportunities in the 20,000 to 100,000 square foot range. Although larger spaces are also in short supply, 20,000 to 100,000 square feet spaces are in particularly high demand for growing companies such as midsize technology startups. As a result, many expanding midsize firms have opted to relocate in other nearby communities.

Lack of diversity in revenues for the City's General Fund. In FY 2012-13, Apple contributed total revenues of $9.2 million, or approximately 18 percent of Cupertino's General Fund budget.[3] Most of the revenues that Apple generates come from sales, property, and utility user taxes. Overall, the opening of Apple Campus 2 is expected to increase Apple's share of tax revenue. In addition to the direct tax revenues generated by Apple, the company indirectly generates tax revenues from its suppliers, consultants, and other vendors to the General Fund budget. At the same time, the decline of Vallco Shopping Mall, as well as the loss of major business-to-business sales tax producers (including Hewlett-Packard), have reduced other sources of sales tax revenues in Cupertino. Although the City has partially offset the decline in sales tax by renegotiating an existing sales tax rebate agreement with Apple, these trends have decreased the diversity of revenue sources for the City's General Fund.

Concerns about protecting Cupertino's quality of life. According to the 2014 community survey, residents believe that the most important issues facing Cupertino are affordable housing (33 percent), traffic (21 percent), and controlling growth (17 percent).[4] Many residents are also concerned about preserving the quality of the public school system as the community continues to grow and change.

KEY ECONOMIC DEVELOPMENT ISSUES

Based on Cupertino's economic opportunities and challenges described above, there are five key issues defined in the EDSP for the City to prioritize over the next three to five years. These include:

A. **Connectivity and Place-Making:** Excellent bicycle, pedestrian, and transit access is becoming increasingly important for economic development, as more companies consider transportation alternatives in making location decisions. Moreover, place-making and connectivity improvements contribute to a high quality of life and help mitigate the traffic impacts of new growth and development. Strategies including investing in public realm improvements on Stevens Creek Boulevard to support the implementation of the Heart of the City Specific Plan, and supporting local and regional investments that expand transit, pedestrian, and bicycle access to employment and activity centers in Cupertino.

B. **Supporting Growth of Small and Midsize Businesses:** Cupertino is very attractive for start-ups and small companies. However, these businesses are often priced out of Cupertino as they grow due to high rents and a lack of available office space. Strategies to support the growth of small and mid-size businesses include facilitating the development of new office spaces in the range of 20,000 to 100,000 square feet; encouraging development of incubator spaces for start-ups in order to diversify the city's industrial mix to include life sciences and other emerging technologies; expanding visitation and outreach to existing small and midsize firms; and providing technical assistance and resources.

C. **Retail Support and Development:** Cupertino's strong household spending power and growing employment base create significant demand for retail. However, while the city offers many neighborhood shopping centers, residents typically travel outside of the city for dining, entertainment, and specialty shopping opportunities. By working with property owners to upgrade aging shopping centers, supporting emerging restaurant, entertainment, and shopping clusters, and developing policies for regulating food trucks and other mobile services, the City can help foster thriving retail destinations that provide goods and services desired by community members.

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[3] This does not include one-time revenues from the construction of Apple Campus 2. The fiscal analysis related to Apple and presented here is from Keyser Marston Associates, "Economic and Fiscal Impacts Generated by Apple in Cupertino—Current Facilities and Apple Campus 2", prepared for Apple Inc., 2013.
[4] City of Cupertino – 2014 Community Satisfaction Survey, Godbe Research, 2014.

D. **Hospitality:** Cupertino's growing technology sector drives strong demand for hotel rooms and conference spaces. While this results in significant hotel tax revenues for the City's General Fund, business travelers often struggle to find rooms in or near Cupertino and local civic organizations have difficulty finding affordable space for meetings and events. By monitoring the need for additional hotel rooms and meeting space and entitling additional hotel development as appropriate, Cupertino can support diversification of the General Fund, and provide hotel rooms and event space to meet the needs of visitors, businesses, and civic organizations.

E. **Marketing:** Cupertino is well known throughout the region – and the world – as the home of Apple, and the city is considered a highly prestigious business address second only to the North Valley cities of Palo Alto, Mountain View, and Menlo Park. Maintaining and expanding Cupertino's reputation as an innovation center will help the city continue to attract a diverse range of businesses.

The strategies, implementation actions, and potential partners to address each of these issues is described in the following section.

III. STRATEGIES AND ACTION ITEMS

As discussed in Section II, the technical analysis and community engagement activities resulted in the identification of five key economic development issues for the EDSP to address. These key issues include:

A. Connectivity and Place-Making

B. Supporting Growth of Small and Midsize Businesses

C. Retail Support and Development

D. Hospitality

E. Marketing

For each of these five issues, the EDSP identifies specific strategies for the City to undertake over the next three to five years. The key issues and strategies to address them are summarized in Figure 1.

The remainder of this section identifies implementation action items for addressing each of the key issues. Action items include continuing the City's ongoing efforts to support economic development in Cupertino, as well as new action items that the City Council may choose to implement to advance economic development. All action items are classified into one of three categories based on the amount of additional staff time, legislative action, or budget required for implementation:

- **Category 1:** Require small amounts of additional staff time in order to implement, but no major legislative action or budget allocations.
- **Category 2:** Require significant staff time and/or legislative action by the City Council.
- **Category 3:** Require additional budget allocation, as well as significant staff time and/or legislative action.

The remainder of this chapter describes each potential implementation action item in more detail, and identifies the lead agency from the City as well as likely partners. A full matrix of all the economic development issues, strategies, and action items is presented in the appendix to this report.

Figure 1: Key Issues and Strategies for Economic Development

Key Issues to Address	Strategies
A. Connectivity and Place-Making *Invest in infrastructure improvements that support economic development and mitigate the traffic impacts of new growth.*	1. Invest in public realm improvements to support the development of the City's commercial/retail and mixed-use areas as pedestrian-oriented corridors that serve as welcoming gateways to Cupertino and provide a variety of community gathering spaces. 2. Support local and regional transportation improvements that improve transit, pedestrian and bicycle connections to employment and activity centers in Cupertino.
B. Support Growth of Small and Midsize Businesses *Provide physical spaces and business support to small and midsize businesses.*	3. Facilitate the development of new office and industrial/flex space for small and midsize companies to expand in Cupertino. 4. Support development of business incubator, accelerator, coworking, shared, and "on-demand" workplaces 5. Continue and strengthen visiting and outreach programs for small and midsize businesses (fewer than 250 employees). 6. Develop a cohesive business support network offering technical assistance and access to financing, with a focus on enabling growing businesses to stay in Cupertino.
C. Retail Support and Development *Foster thriving retail destinations that provide goods and services desired by community members.*	7. Work with retail property owners and tenants to revitalize and upgrade aging shopping centers on Stevens Creek Boulevard. 8. Support emerging restaurant, entertainment, and shopping clusters that serve as destinations for workers, residents, and visitors. 9. Develop policies for regulating food trucks and other mobile services, including the types of mobile services that are permitted, the locations and times when they may operate, and measures for mitigating environmental, traffic, and other impacts.
D. Hospitality *Support diversification of the City's General Fund, and provide hotel rooms and event space to meet the needs of visitors, businesses, and civic organizations.*	10. Provide adequate hotel rooms and event venues to support the City's General Fund and meet business needs.
E. **Marketing** *Maintain and expand Cupertino's reputation as an innovation center.*	11. Develop an integrated approach to marketing Cupertino to brokers, business owners, and others as a center for innovation and the heart of Silicon Valley.

ISSUE A: PLACE-MAKING AND CONNECTIVITY

STRATEGY 1

Invest in public realm improvements to support the development of the City's commercial/retail and mixed-use areas as pedestrian-oriented corridors that serve as welcoming gateways to Cupertino and provide a variety of community gathering spaces.

The General Plan calls for updating the look and feel of the City's neighborhood shopping centers and commercial corridors to improve bicycle and pedestrian connections to surrounding residential neighborhoods and create welcoming gateways into Cupertino. The General Plan calls out Stevens Creek Boulevard as Cupertino's core commercial corridor, and the Heart of the City Specific Plan identifies streetscape design principles for different segments of the Stevens Creek corridor, including street tree, landscaping, and street furnishing concepts, and specifies design standards for new development. The City has also adopted Conceptual Plans for North DeAnza Boulevard (between I-280 and Stevens Creek), De Anza Boulevard (between Stevens Creek and Bollinger Road), and the Vallco Shopping District that provide direction on streetscape and connectivity improvements in these areas. By creating a more welcoming environment for Cupertino residents and visitors, the new street trees and other improvements will help support successful retail along these corridors.

Ongoing City Actions:

1.1 Implement the land use and design guidelines from the Heart of the City Specific Plan; require new development to contribute to planned streetscape and infrastructure improvements. The Specific Plan lists contributions and in-kind improvements by developers as the primary mechanism for implementing the streetscape improvements identified in the plan.

- **Lead Agency:** Planning
- **Partners:** Stevens Creek Property Owners and Developers

1.2 Implement the land use and transportation policies in the General Plan and Conceptual Plans to ensure that site, building, street, and streetscape design support the City's goals for community character and connectivity. The plans call for improvements to neighborhood centers and commercial corridors throughout the City.

- **Lead Agency:** Planning

Category 1 Actions:

1.3 Support community programming at activity centers along major corridors. The General Plan identifies a series of special centers and nodes along major corridors, including the Oaks Shopping Center, Cupertino Memorial Park, DeAnza College, the North Crossroads Node, City Center, and the Civic Center. By partnering with civic organizations, retailers, and property owners to sponsor programming and events in these nodes, the City can help bring new activity to the corridors.

- **Lead Agencies:** Economic Development, Planning, Parks and Recreation
- **Partners:** Chamber of Commerce, DeAnza College, Retail Businesses and Property Owners

Category 2 Actions:

1.4 Develop implementation plans for improving major corridors such as Stevens Creek Boulevard, including identifying phasing and specific funding sources for planned improvements. For example, a comprehensive implementation strategy for the Heart of the City Specific Plan would identify the desired phasing for the streetscape improvements called for in the plan, provide updated construction costs, and identify the full range of potential funding sources. Adopting an implementation strategy could position the City to apply for grants and seek other funds, above and beyond contributions from developers. In addition, a clear strategy could help lay the groundwork for the eventual establishment of a BID or PBID (see discussion of BIDs and PBIDs above, under Strategy 7).

- **Lead Agency:** Planning
- **Partners:** Property Owners and Developers, Business Owners, Residents

1.5 Pursue grants for streetscape and other improvements as they become available. For example, the One Bay Area Grant (OBAG) program provides grants for local streets and roads preservation, bicycle and pedestrian improvements, and streetscape improvements. At least 70 percent of OBAG funds must be spent in Priority Development Areas (PDAs); as a PDA, the Stevens Creek corridor would be eligible for this funding. The Santa Clara Valley Transportation Authority (VTA) administers the OBAG capital grant program in Santa Clara County. VTA has fully allocated its share of OBAG dollars through FY 2015-16. After FY 2015-16, however, more OBAG funds may become available.

- **Lead Agency:** Public Works, Planning
- **Partners: Santa** Clara Valley Transportation Authority (VTA)

Category 3 Actions:

1.6 Allocate funds in the City's capital improvement program to implement landscaping, pedestrian, and other infrastructure improvements envisioned in the Heart of the City Specific Plan and other Conceptual Plans. Setting aside capital improvement funds from the City budget would help facilitate faster implementation of the Plan, and help meet the local match required by many grant programs.

- **Lead Agency:** Public Works, Finance, Planning

STRATEGY 2

Support local and regional transportation improvements that improve transit, pedestrian and bicycle connections to employment and activity centers in Cupertino.

Access to transit and excellent bicycle and pedestrian connections are becoming increasingly important for economic development, as more companies consider transportation alternatives in making location decisions. Facilitating transit, walking, and bicycling can also help reduce strain on the automobile network, improve health and quality of life for Cupertino residents, and help mitigate the traffic impacts of new growth and development – a major concern for many community members.

Ongoing City Actions:

2.1 Implement and regularly update and the Bicycle Transportation Plan, including pursuing grants as they become available. In 2015, the City Council adopted the 2015 Bikeway Improvement Prioritization Update to the 2011 Cupertino Bicycle Transportation Plan. Together, these documents provide a roadmap designed to encourage bicycling as a safe, practical, and healthy alternative to the automobile. The City has also established a Bicycle Pedestrian Commission charged with reviewing, monitoring, and making recommendations regarding bicycle and pedestrian traffic, parking, education and recreation, and other transportation issues. The Commission and City staff work together to implement the Bicycle Transportation Plan and expand the share of trips taken by on foot or by bicycle.

- **Lead Agency:** Public Works
- **Partners: Bicycle** Pedestrian Commission

2.2 Require major employers to meet transportation demand management goals. The General Plan Mobility Element requires large employers to develop and maintain transportation demand management (TDM) programs to reduce vehicle trips generated by their employees, and develop a tracking method to monitor results.

- **Lead Agencies:** Planning, Public Works

2.3 Actively participate in regional transportation planning processes and advocate for decisions that meet Cupertino's needs. Public Works, Planning, and other departments regularly participate in regional transportation planning processes to advocate for programs that are consistent with the goals and policies of Cupertino's General Plan. City staff also work with neighboring cities to address regional transportation and land use issues of mutual interest.

- **Lead Agency:** Public Works, Planning

2.4 Work with Caltrans and the Santa Clara Valley Transportation Authority to explore new regional transit options, such as on Highway 85. In anticipation of a potential Santa Clara County Transportation Sales Tax measure on the ballot in the November 2016 election, the City of Cupertino has been working with other West Valley and North County cities on developing a mass transit project that would serve this portion of the region's jobs utilizing VTA and concentrating on the 85 Corridor. In April 2016, Cupertino's Director of Public Works introduced the concepts to the Chamber of Commerce Legislative Action Committee and held a Business Workshop to facilitate a more detailed discussion.

- **Lead Agency:** Public Works

Category 1 Actions:

2.5 Work with major employers to leverage corporate transportation programs (e.g., shuttles, bike share) to benefit the community as a whole. Apple and other large employers operate shuttles, bike share, and other transportation programs to help their employees travel to and around Cupertino without a car. While employers may need to restrict access to some of these services in order to maintain corporate security, there may be opportunities to expand on some existing corporate transportation programs – such as bike share – to serve the broader community.

- **Lead Agency:** Public Works, Planning, Economic Development
- **Partners:** Major Employers

Category 2 Actions:

2.6 Work with regional and county agencies to explore new funding sources for local and regional transit improvements. As revenues from the federal and state gas taxes decline, funding for local and regional transportation improvements is becoming increasingly scarce. MTC and Bay Area cities and counties are exploring new options, including new taxes and fees (such as the proposed Santa Clara County Transportation Sales Tax Measure), revenues from California's cap-and-trade program, and property-based land financing or "value capture" tools (such as Enhanced Infrastructure Financing Districts and Community Facilities Districts). By remaining actively involved in these conversations, Cupertino staff can ensure that the City is aware of emerging tools and sources, and represented in conversations about how funding should be allocated.

- **Lead Agency:** Public Works, Planning

2.7 Pursue grants for high priority transportation projects, including bicycle and pedestrian improvements, as they become available. In addition to improvements on Stevens Creek, this could include walking and bicycling paths that connect employment areas with destinations such as local retail centers.

- **Lead Agency:** Public Works, Planning

2.8 Prioritize investments in bicycle, pedestrian, and other transportation improvements that connect workers and workplaces with local retailers. These include bicycle paths and sidewalk improvements that directly connect the City's major employment centers with retail and restaurant nodes.

- **Lead Agency:** Public Works, Planning

2.9 As part of the approvals process for large commercial development projects, design a community benefits policy that encourages projects to provide transportation demand management (TDM) programs, potentially including funding for a community shuttle. As discussed above, the General Plan Mobility Element already contains a similar provision for ensuring major employers provide TDM programs. This policy could be extended to major development projects, and include incentives for developers (as well as employers and shopping center owners) to contribute funding for a community shuttle that would improve connections among major community destinations such as local civic and cultural centers, retail centers, schools, and nearby Caltrain stations.

- **Lead Agency:** Planning

ISSUE B: SUPPORT GROWTH OF SMALL AND MID-SIZE BUSINESSES

STRATEGY 3

Facilitate the development of new office and industrial/flex space for small and midsize companies to expand in Cupertino.

Cupertino is highly attractive for start-ups and small companies. However, a very tight market for office space, combined with the high share of office space occupied by Apple, results in scarce leasing opportunities in the 20,000 to 100,000 square foot range. As a result, many expanding midsize firms have opted to relocate in other nearby communities. In the long term, retaining these growing companies will require providing office space to meet their needs.

Ongoing City Actions:

3.1 Create opportunities for small office users by encouraging developers to reserve space for small offices. For example, the City negotiated an agreement with Sand Hill Property Company to reserve space for small office users in the Main Street project. These would range from 3,000-10,000 square feet and would include small business ventures, co-working spaces, etc.

Category 2 Actions:

3.2 Increase allocation for office development for mid-size businesses in the 20,000-100,000 sq. ft. range. The City lacks office space in the 20,000 to 100,000 square foot range that can accommodate growing companies and midsize startups.

- **Lead Agency:** Planning

3.3 Create a new development allocation category for Innovation Space. This allocation would provide for the development of new laboratory and R&D space for businesses in the greentech, biosciences, life sciences, and other creative industries.

- **Lead Agency:** Planning

3.4 Consider establishing a new "Innovation District" in the Bubb Road and/or Bandley Drive/Valley Green Drive areas. By formally designating some of the less intensive, Light Industrial areas in the City as "Innovation Districts," the City could encourage and incentivize the reuse and rebuilding of existing buildings to create spaces appropriate for small to midsize businesses in sectors such as greentech, biosciences, life sciences, and other creative industries. For example, the designation could apply to the Bubb Road area (roughly bounded by Stevens Creek Boulevard on the north, McClellan Road on the south, Highway 85 on the east, and Imperial Avenue on the west) and/or the Light Industrial properties located on the west side of Bandley Drive and north of Valley Green Drive. The City could support the Innovation Districts with a coordinated branding and marketing strategy, and explore incentives (such as development allocations for innovation space) to encourage property owners to dedicate new and existing space to greentech, biosciences, and other innovation uses. The new "Innovation District" would also require or incentivize street improvements and transportation demand management measures aimed at encouraging walking and bicycling and mitigating the traffic impacts of new businesses, as well as the provision of other uses that would serve the district (food uses, etc).

- **Lead Agency:** Planning

3.5 Review and update land uses in the zoning designations related to Office and Industrial uses to ensure that they are adaptable to current and future business needs. Some of the uses in the existing zone code are outdated and do not reflect current industry needs. The code should be revisited to better align with current and emerging space needs, and to more clearly state the types of uses (such as biosciences, greentech, etc.) that the City envisions for different locations within Cupertino.

- **Lead Agency:** Planning

3.6 Allow for the conversion of underutilized ground floor retail space to office space. In underperforming shopping centers, allow for spaces to be occupied by smaller office users, providing that there is sufficient parking and infrastructure to support office uses. Note that this may require a zoning change in some locations, such as in the Heart of the City Specific Plan area.

- **Lead Agency:** Planning

3.7 Conduct parking study to review parking ratios for retail/commercial/office uses. Note that changes in parking ratios may require zoning and regulation changes in some locations, such as the Heart of the City Specific Plan area.

- **Lead Agency:** Planning

STRATEGY 4

Support development of business incubator, accelerator, co-working, shared, and "on-demand" workplaces.

Co-working, shared, and on-demand spaces provide flexible office space where entrepreneurs, freelancers, or other individuals can rent a desk at a relatively low cost. Examples include WeWork and NextSpace (see text box below). Start-up accelerators or incubators provide mentorship, training, and sometimes investment capital and/or low-cost space for emerging tech companies, often in exchange for a small amount of equity. While some start-up accelerators have proven highly profitable,[5] co-working businesses typically operate on a thin profit margin,[6] and some incubators that provide low-cost space for start-ups have required public subsidy.[7] For example, the San Jose BioCube was originally funded by the San Jose Redevelopment Agency (see text box below).

Cupertino already has at least one co-working space: Pacific Workplaces, an 18,000 square foot location on Stevens Creek Boulevard that provides flexible co-working spaces for approximately 300 small businesses. By supporting these types of flexible workspaces, the City can continue to nurture Cupertino's existing ecosystem of start-ups and help grow the next generation of innovative businesses.

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5 Tomio Green, "Top Startup Incubators and Accelerators: Y Combinator Tops with $7.8 Million in Value," Forbes, April 30, 2012, http://www.forbes.com/sites/tomiogeron/2012/04/30/top-tech-incubators-as-ranked-by-forbes-y-combinator-tops-with-7-billion-in-value/.

6 DeskMag, "The 2nd Global Coworking Survey: How Profitable Are Coworking Spaces?" http://www.deskmag.com/en/how-profitable-are-coworking-spaces-177.

7 Diana Samuels, "Silicon Valley Incubators Feel the Pain of Redevelopment's Demise," Silicon Valley/San Jose Business Journal, July 13, 2012, http://www.bizjournals.com/sanjose/print-edition/2012/07/13/silicon-valley-incubators-feel-the.html?page=all.

Category 2 Actions:

4.1 Allow for the conversion of underutilized ground floor retail space to incubator or co-working uses. There are a number of underutilized retail sites (such as second-floor retail space and spaces located to the side or rear of a property) that could be converted to smaller co-working spaces or incubators. Note that the conversion of some existing retail buildings may require property owners to make investments in infrastructure or building improvements to serve such businesses.

- **Lead Agency:** Planning

Case Study: WeWork and NextSpace

WeWork and NextSpace are privately-funded providers of co-working spaces with national and international locations. WeWork currently has about six locations in San Francisco and one in San Jose, while NextSpace has five Bay Area locations. Membership with these spaces can take many forms and could include: occasional access, day passes, long term passes to common workspaces, dedicated workstations and offices, and conference rooms. Typically, these co-working spaces tout the benefits of connecting with other innovators and creative enterprises as a key value proposition of membership.

Case Study: San Jose BioCube

The San Jose BioCube is a business incubator providing facilities for life science, nanotech, and cleantech startup companies. These facilities include office space, laboratory facilities, and business support services to a variety of startups who can either locate directly onsite or utilize BioCube's facilities on a pro-rated basis. Originally called the San Jose BioCenter, it was created in 2004 under the San Jose Bioscience initiative sponsored by the San Jose Redevelopment Agency. Although public funding was phased out with the agency's dissolution 2012, the facility was able to survive with the assistance of private investment and a name change to the "BioCube." In 2014 the BioCube became 100 percent self-sufficient.

Sources: wework.com; nextspace.com; San Jose BioCube website (http://www.sanjosebiocube.com); "Silicon Valley incubators feel the pain of redevelopment's demise", Silicon Valley Business Journal, 2012 (http://www.bizjournals.com/sanjose/print-edition/2012/07/13/silicon-valley-incubators-feel-the.html); "San Jose BioCube Creates Self-Sustaining Biotech Dream", PRWeb, 2013 (http://www.prweb.com/releases/2013/5/prweb10716857.htm).

Category 3 Actions:

4.2 Seek out partnerships for developing a new small business incubator or accelerator, and consider contributing City funds if needed. The City may explore potential partners like DeAnza Community College, the Santa Clara County Library District, other nearby universities, colleges, or other organizations, to operate a small incubator or accelerator. The City may contribute funding to support the incubator spaces, either by directly subsidizing its operations or by encouraging private developers to provide low-cost spaces for this type of use as part of a community benefits process for approving large commercial projects (see discussion under Strategy 3).

- **Lead Agency: Economic** Development
- **Potential Partners:** DeAnza Community College, Santa Clara County Library District

STRATEGY 5

Continue and strengthen visitation and outreach programs for small and midsize businesses (fewer than 250 employees).

The Economic Development Division of Cupertino's Community Development Department already conducts a robust program of business outreach aimed at providing new and growing businesses with information about doing business in Cupertino (see "Ongoing City Efforts" described below). The City's business outreach program could be expanded and refined to focus on retaining small and midsize businesses, especially those that are at risk of moving out of the City as they grow. Fostering a diverse range of firms will help build a resilient business ecosystem that can better withstand future changes in broader economic conditions.

Ongoing City Actions:

5.1 Conduct outreach to existing businesses, including regularly visiting local businesses to discuss programs, events, and/or incentives that may be of interest. Economic Development staff visit local businesses and attend meetings of the Chamber of Commerce and other local organizations to provide information on business resources offered by the City and partner organizations (such as the Silicon Valley Economic Development Alliance and the Silicon Valley Small Business Development Center).

- **Lead Agency:** Economic Development

5.2 Distribute and regularly update "How to Start Your Business in Cupertino" booklet. The "How to Start Your Business in Cupertino" booklet is published by the Economic Development Division and provides step-by-step instructions and informational links for developing a business plan, selecting a location, applying for permits and licenses, and accessing incentives.

- **Lead Agency:** Economic Development

5.3 Continue to host the annual Small Business Symposium. The City of Cupertino and the Cupertino Chamber of Commerce co-host an Annual Small Business Symposium that provides workshops covering essential topics for those wanting to start a new business or who are ready to grow their existing businesses. In past years, workshop topics have included marketing and social media, accessing capital, legal issues, and green business practices.

- **Lead Agency**: Economic Development
- **Partners**: Cupertino Chamber of Commerce, Cupertino Library

Category 1 Actions:

5.4 Provide assistance to new and expanding businesses with obtaining needed permits and licenses from the City and other agencies. The Planning and Economic Development Divisions could work together to explore a "concierge" service that would assign specific staff members to work closely with high-priority applicants, including providing a single point of contact to expedite the City permitting and licensing process. Staff could also assist businesses in receiving permits from other agencies.

- **Lead Agencies:** Planning and Economic Development

5.5 Identify growing, small and midsize companies that are at risk of moving out of Cupertino as they expand, and focus existing business retention efforts on these companies. Economic development staff could identify growing companies that are at risk of leaving the City in order to expand, and help connect them with resources such as those offered by the Silicon Valley Economic Development Alliance and the Silicon Valley Small Business Development Center.

- **Lead Agency:** Economic Development

5.6 Work with local brokers to match growing companies to space in Cupertino. Finding office space in Cupertino is a significant barrier for many companies that wish to grow in the City. Building on existing relationships with brokers, Economic Development staff can help provide information on office space vacancies to small and midsize businesses that have been identified as being at risk of leaving the City.

- **Lead Agency:** Economic Development

5.7 Conduct an online survey of existing businesses to determine key advantages and disadvantages of doing business in Cupertino. This survey could be conducted on a regular (e.g., annual basis) help evaluate existing City services and programs, and help identify challenges or gaps in the resources available to local businesses.

- **Lead Agency:** Economic Development

Category 2 Actions:

5.8 Conduct regular outreach to growing small and midsize businesses to determine what services would help them expand in Cupertino, including individual visits, roundtables or focus groups, and citywide events. These visits, roundtables, or events could focus on key audiences (such as growing midsize companies) or important topics identified in the online survey (described under Category 1 Actions). Regular, formal discussions with businesses could inform the City's future business outreach and retention efforts.

- **Lead Agency:** Economic Development

STRATEGY 6

Develop a cohesive business support network offering technical assistance and access to financing, with a focus on enabling growing businesses to stay in Cupertino.

Cupertino staff maintain excellent relationships with local and regional business organizations that provide technical assistance to businesses, and regularly refers local businesses to those technical service providers. There may be opportunities to build on these relationships to expand the range of services and resources available to Cupertino businesses, or for the City to provide services directly to businesses.

Ongoing City Actions:

6.1 Meet regularly with local and regional business organizations and technical assistance providers to build partnerships. Economic Development staff regularly attend meetings held by the Cupertino Chamber of Commerce (including the Chamber's Legislative Action Committee and the Asian American Business Council), the Silicon Valley Economic Development Alliance, CREW Silicon Valley (a commercial real estate professional organization), and the Rotary Club of Cupertino.

- **Lead Agency:** Economic Development
- **Partners:** Cupertino Chamber of Commerce, Silicon Valley Economic Development Alliance, CREW Silicon Valley, Rotary Club of Cupertino

6.2 Continue to hold quarterly meetings with Economic Development Committee. The Committee consists of four City staff members, two City Council members and four representatives from the Cupertino Chamber of Commerce. The Committee's activities are targeted at enhancing the Cupertino business environment, developing business and community relationships, working with existing business to identify and eliminate any barriers to retention or redevelopment, recruiting compatible businesses to the City, and supporting a strong local economy and fiscal base to enable to the City to provide excellent municipal services.

- **Lead Agency:** Economic Development

Category 1 Actions:

6.3 Explore additional opportunities to connect small businesses with existing micro-credit providers or other small business lenders. For example, the Silicon Valley Small Business Development Corporation in San Jose offers workshops and individual business counseling on access to capital, including bank finance, Small Business Administration (SBA) loans, and venture capital.

- **Lead Agency:** Economic Development
- **Partners:** Silicon Valley Small Business Development Corporation, Small Business Administration, Silicon Valley Talent Partnership

Category 2 Actions:

6.4 Partner with technology, design, and arts programs at De Anza College and local middle and high schools to offer assistance to Cupertino businesses, such as support in building websites and applications. For example, students could help local businesses design websites, participate in hackathons, launch social media advertising campaigns, etc.

- **Lead Agency:** Economic Development
- **Partners:** De Anza College, Cupertino Union and Fremont Union School Districts, Library

6.5 Establish the City of Cupertino as a Kiva Zip trustee to find and endorse local businesses seeking to borrow money on the Kiva Zip website. Kiva Zip is a microfinancing platform that connects entrepreneurial borrowers with individuals interested in supporting small businesses. A Kiva Zip "trustee," which can be a City or other organization, recommends borrowers for a loan based on the borrower's qualifications and local knowledge. The trustee can support borrowers in other ways but does not have any fiduciary responsibility for the loan. Trustees take on no direct financial risks, but their reputation is based on the repayment of the loans that they endorse. See the text box below for an example of the City of Oakland's KivaZip Trustee Program.

- **Lead Agency:** Economic Development
- **Partners:** Kiva Zip

Category 3 Actions:

6.6 Contract with business assistance providers to provide targeted services to Cupertino businesses, or hire staff and provide services in-house. Rather than referring businesses to the Silicon Valley Small Business Development Corporation or other business technical assistance organizations, the City could contract directly with providers to offer services in Cupertino, and/or hire additional Economic Development staff with the capacity to provide training, counseling, and other services in-house. This could include working with Small Business Development Centers of Northern California to sponsor a local office (see text box below for more information).

- **Lead Agency:** Economic Development
- **Partners:** Small Business Development Centers of Northern California

6.7 Provide seed capital to start a revolving loan fund to provide small loans for small and midsize businesses in Cupertino for business expansion and other business needs. Revolving loan funds provide financing for small businesses that are meet local goals (such as creating local employment opportunities) and are creditworthy, but do otherwise do not qualify for bank loans. See the text below for an example sponsored by the City of Berkeley.

- **Lead Agency:** Economic Development

Case Study: City of Oakland's Kiva Zip Trustee Program

Kiva Zip is a microfinancing platform that connects entrepreneurial borrowers with individuals interested in supporting small businesses in the U.S. A Kiva Zip "trustee," which can be an entire organization, recommends borrowers for a loan based on the borrower's qualifications and local knowledge. The trustee can support borrowers in other ways but does not have any fiduciary responsibility for the loan. Trustees take on no direct financial risks, but their reputation is based on the repayment of the loans that they endorse. In 2013, the City of Oakland became the first city government to serve as a Kiva Zip trustee. Since that time, the City has endorsed 33 loans for a total value of approximately $235,000, and a repayment rate of 87 percent. The City uses billboard advertising to promote the program, which supports locally owned businesses, often in food service.

Advertising for Oakland's Kiva Zip program on a local bus shelter
Image: Strategic Economics

Case Study: Berkeley Revolving Loan Fund

The Berkeley Revolving Loan Fund is a source of financing for small businesses that otherwise do not qualify for conventional bank loans. Borrowers still need to be creditworthy and satisfy other criteria, such as demonstrating that their business creates local employment opportunities. The fund was started in 1984 with a $500,000 grant from the federal Economic Development Administration, initially targeting minority-owned businesses in the South Berkeley neighborhood. In 2011, the City expanded the program to be citywide, and brought in an independent underwriter. Loans are approved by a Loan Administration Board composed of members with expertise in business operations, legal issues, and commercial lending. The target loan size is between $35,000 to $50,000, with a term of up to seven years. Borrowers have flexibility to use the credit for working capital, tenant improvements, or asset purchases. Since the program began, the fund has grown to $700,000. The total amount loaned since 1984 is nearly $1.6 million, with 38 borrowers. It is estimated that the program has created 176 new private sector jobs, and saved 38 private sector jobs. Currently, there are six borrowers with active loans totaling $405,000. These borrowers include a high-end tent manufacturer, a reseller of biofuels, and a cooking school.

Sources: Kiva Zip (https://zip.kiva.org/trustees/573); Oakland Local, "Kiva Zip Loans Fuels Oakland Small Business Community", 2015 (http://oaklandlocal.com/2015/05/kiva-zip-loans-fuels-oakland-small-business-community/); City of Berkeley Office of Economic Development (http://www.ci.berkeley.ca.us/loanfund/); City of Berkeley, Economic Dashboard, 2015.

Case Study: Small Business Development Centers of Northern California

The Small Business Development Centers of Northern California are a network of business assistance offices whose services include educational and training seminars and counseling at low- or no-cost. The NorCal network is operated out of CSU Humboldt, and the network is funded by the Small Business Administration, with satellite offices typically at the county level. The Silicon Valley SBDC, in downtown San Jose, is the satellite office serving Santa Clara County. NorCal SBDC also has a handful of strategic initiatives with services tailored to particular industry sectors, including technology, procurement, international trade, and green business. For example, the "Tech Futures Group", with an office in Berkeley, advises tech startups and growing firms with advisors that have expertise navigating the particular issues confronted by high growth technology firms, such as intellectual property strategy and venture capital fundraising.

Sources: Small Business Development Centers of Northern California (http://www.norcalsbdc.org); The Tech Futures Group (http://www.techfuturesgroup.org).

ISSUE C: RETAIL SUPPORT AND DEVELOPMENT

STRATEGY 7

Work with retail property owners and tenants to revitalize and upgrade aging shopping centers on Stevens Creek Boulevard.

The Cupertino General Plan identifies the Stevens Creek corridor as the "Heart of the City" – the key mixed-use area that functions as Cupertino's downtown. The General Plan and the Heart of the City Specific Plan (discussed in more detail above, under Strategy 1) envision an improved corridor that provides a greater sense of place, more community identity, and a memorable experience for residents, workers and visitors. The qualities of successful pedestrian-oriented retail districts are explained in more detail in the text box on the following page.

One key part of implementing this vision is revitalizing and upgrading aging shopping centers on the corridor. While the smaller, strip shopping centers on Stevens Creek Boulevard have generally been successful at attracting new tenants, many have not been upgraded in years. In particular, the eastern segment of Stevens Creek Boulevard – extending from North De Anza Boulevard to the city border – is characterized by relatively small, shallow lots with limited visibility, parking constraints, and relatively underperforming retailers. Programs and policies that incentivize property owners and businesses to reinvest in aging shopping centers will help support continued, successful retail activity on the corridor, and contribute to upgrading the look and feel of Stevens Creek to create a welcoming gateway into Cupertino.

Characteristics of Successful Pedestrian-Oriented Retail Districts

At the August 2015 Community Forum on Local Businesses, Cupertino residents cited Burlingame Avenue (Downtown Burlingame), Castro Street (Downtown Mountain View), Downtown Los Gatos, and Downtown Campbell as examples of attractive destinations for dining, shopping, and entertainment. These districts share some common elements that contribute to their success:

- **Concentration of retail within a convenient walking distance:** A critical mass of retail and services within a comfortable walking distance enables visitors to park once and walk to their destination, or browse shopping and dining options on foot. Successful pedestrian-oriented retail districts are often quite compact. For example, the majority of activity on Burlingame Avenue is concentrated within a quarter-mile section of the street, or about a five-minute walking distance from end to end.
- **Pedestrian-friendly atmosphere:** Burlingame Avenue, Castro Street, Downtown Los Gatos, and Downtown Campbell all have wide sidewalks and attractive street trees, lighting, and other furniture. The storefronts are active, and many restaurants have invested in attractive outdoor dining.
- **High concentration of restaurants**: In these successful retail districts, about one-quarter to one-third of businesses are restaurants or food stores.
- **Comprehensive parking management strategies:** Mountain View and Los Gatos provide ample visitor parking in public lots and garages located within walking distance of downtown shops and restaurants, while restricting long-term parking in surrounding residential neighborhoods.
- **Active merchants' associations:** Downtown Burlingame, Downtown Mountain View, and Downtown Campbell all have active merchants' associations that partner with the cities in sponsoring marketing, community events, and other activities.

Downtown Burlingame
Image: Strategic Economics

Downtown Mountain View
Image: Strategic Economics

Category 2 Actions:

7.1 Provide incentives in key locations for upgrading or intensifying existing retail and/or replacing retail with mixed-use development. Some small parcels with existing retail centers may not be able to accommodate sufficient parking to meet current code requirements, limiting the property owner's ability to upgrade, replace the existing retail space, or redevelop with higher-intensity retail or mixed-use project. Providing some flexibility on parking requirements for these properties, allowing for mixed-use development, and/or providing incentives such as increased heights or densities on challenging parcels, could encourage property owners to invest in major improvements or redevelop aging retail buildings.

- **Lead Agency:** Planning
- **Partners:** Retail Property Owners, Developers

7.2 Develop design standards for retail space in mixed-use developments to ensure that new retail space contributes to the desired look and feel of the community, and functions well for retailers. Some mixed-use projects struggle to lease ground floor retail space in part due to the limited visibility from the street, lack of signage, poor vehicle and pedestrian access, low ceiling heights, and/or lack of specific requirements such as adequate ventilation for restaurant cooking. Providing guidelines on appropriate design could help ensure the success of future ground floor retail space. While the Heart of the City Specific Plan includes design guidelines for building exteriors, the plan does not provide specific standards for ground floor retail.

- **Lead Agency:** Planning
- **Partners:** Retail Property Owners, Developers

7.3 Conduct outreach to Stevens Creek property and business owners to explore the potential to form a Business Improvement District (BID) or Property-Based Business Improvement District (PBID) on all or part of the Stevens Creek corridor, to fund marketing, landscaping, maintenance, and/or other local needs. BIDs and PBIDs are a type of special assessment district in which business or commercial property owners vote to be assessed a fee to fund programs and projects within the business area. Typically, a BID or PBID provides resources to develop marketing campaigns, increase lobbying efforts, secure additional funding, and invest in public improvements and beautification projects in partnership with a city. By pooling private resources, business owners in BIDs collectively pay for activities that they could not afford on an individual basis. A BID or PBID on Stevens Creek Boulevard (or on some segment of the corridor) could pay for these types of activities, potentially including some of the landscaping and other streetscape improvements identified in the Heart of the City Specific Plan (see discussion under Strategy 8, below).

- **Lead Agencies:** Planning and Economic Development
- **Partners:** Stevens Creek Business Owners and/or Property Owners

Category 3 Actions:

7.4 Provide grants or loans to retail property owners and/or tenants to encourage them to upgrade their façades. Façade improvement programs provide matching grants or loans to incentivize retail property owners and/or tenants to invest in improvements to the exterior of their buildings. Typical improvements include new paint, installation or replacement of signs or awnings, and refurbishments to non-structural architectural features (e.g., trim, cornices, windows, etc.). In order to receive a grant or loan, applicants must meet certain criteria such as contributing a matching amount of money to the project, complying with local design guidelines, and receiving all necessary city permits. In addition to providing funding, some programs also provide design assistance to ensure that façade improvements meet city standards. Façade improvement programs are often targeted to a particular district, such as a downtown or major retail corridor. In Cupertino, this type of program could be targeted to Stevens Creek Boulevard to help achieve the goals of the Heart of the City Specific Plan. Prior to 2011, most façade improvement programs in California were funded by redevelopment agencies. Since the dissolution of redevelopment in 2011, however, some cities have managed to find other funding sources, including Santa Cruz and Dublin (profiles in the text box below).

- **Lead Agencies:** Planning and Economic Development
- **Partners:** Property Owners, Retail Businesses

Case Study: City of Santa Cruz Façade Improvement Program

Since 1994, the City of Santa Cruz has offered grants for façade improvements to its retail businesses, with over 100 grants disbursed since the program's inception benefitting more than 260 small business establishments. Any ground floor retail business (or commercial property containing such a business) can apply for a grant, as long as each storefront benefiting from improvements has at least three years remaining on its lease. While the program prioritizes painting entire buildings, improving public safety lighting, and anti-graffiti measures, signs, awnings, and landscaping can also be funded as part of an overall façade improvement project. Grants are available for up to $10,000 for the entire project, and up to $5,000 matching grant per storefront. Up to $1,000 is provided for a City-selected designer. The grant program is paid for with the City's General Fund.

Case Study: City of Dublin Sales Tax Reimbursement Program.

Enacted in 2009, the Sales Tax Reimbursement Program in the City of Dublin reimburses up to fifty percent of the net new sales tax paid to the city after eligible physical improvements have been made to retail businesses. Participants generating between $100,000 and $500,000 in net new annual sales tax revenue are eligible for annual reimbursements over five years, up to the total costs of improvements. Participants generating over $500,000 are eligible for annual reimbursements over ten years. Costs covered by the program include exterior improvements, interior tenant improvements, and site improvements such as parking and landscaping. A participant in the program ordinarily needs to be a business newly locating in Dublin, not an existing business.

Santa Cruz Façade Improvement Program Brochure
Image: Economic Development and Redevelopment Department, City of Santa Cruz.

Sources: Economic Development and Redevelopment Department, City of Santa Cruz http://cityofsantacruz.com/departments/economic-development/business-support/facade-improvement-program; "Grant puts new face on riot-damaged business; City's Facade Improvement Program has helped 240 other sites", Santa Cruz Sentinel, 2010 http://www.santacruzsentinel.com/article/ZZ/20100616/NEWS/100618140; City of Dublin, http://www.dublinca.gov/1672/City-Incentives.

STRATEGY 8

Support emerging restaurant, entertainment, and shopping clusters that serve as destinations for workers, residents, and visitors.

Because retail sales taxes are a major contributor to the General Fund, a thriving retail market is important to the City's fiscal health. Retail nodes that offer a diverse range of shopping, dining, and entertainment options can also serve as community gathering places for residents and workers, and help attract new visitors to the city. Vallco Shopping Mall used to fill this role in Cupertino, and may do so once again when it is eventually redeveloped (however, Vallco Shopping Mall is subject to a separate Specific Plan process, and is therefore outside the focus of this Economic Development Strategic Plan). The new Main Street project also provides some new retail and community space. In addition to continue to monitor the success of these larger projects, the City can also help support smaller retail and community gathering nodes throughout Cupertino.

Ongoing City Actions:

8.1 Meet regularly with retail and commercial brokers to answer questions, build relationships, and get updates on projects. Economic development staff maintain excellent relationships with retail and commercial brokers who are active in the Cupertino real estate market.

- **Lead Agency:** Economic Development

8.2 Represent the City at ICSC and other local and regional conferences. Economic Development staff regularly attend conferences held by the International Council of Shopping Centers (ICSC) and other local and regional retail recruiting events to market Cupertino to retailers.

- **Lead Agency:** Economic Development

8.3 Maintain "Eats 95014" app/website and "Cupertino at a Glance" website. "Eats 95014" is a local restaurant app that showcases Cupertino dining and food opportunities including restaurants, grocery stores, the farmer's market, and vineyards. The app provides information on store hours, parking information, noise level, directions, and links to websites. Users can search and sort restaurants by type of cuisine and services offered. The "Cupertino at a Glance" website provides a map with business information and website links for Cupertino's cultural, civic, recreational, and dining facilities.

- **Lead Agencies:** Economic Development, Communications

Category 1 Actions:

8.4 Work with brokers and retail site selection professionals to market Cupertino to desired tenants, such as high-end restaurants and comparison retailers, and match retailers with appropriate sites in Cupertino. Cupertino should continue communicating with brokers and site selection professionals to inform them of the types of retail that are desired by the community, and to match businesses to existing properties.

- **Lead Agency:** Economic Development
- **Partners:** Retail Brokers, Property Owners, Retail Businesses

Category 2 Actions:

8.5 Create a marketing campaign to increase awareness of local retailers and service providers among workers employed at Cupertino businesses. The City can develop a new campaign to inform workers in Cupertino about the range of restaurants, retailers, and personal service providers available in the city in order to encourage them to shop and dine locally and support small businesses. Examples of promotional materials could include a mobile app featuring local businesses, printed posters, and a new website.

- **Lead Agency:** Economic Development
- **Partners:** Major Employers, Local Retail Businesses

8.6 Seek out social media partnerships to promote shopping local. There are many examples of cities partnering with private companies such as Yelp and American Express to promote local shopping events that could be models for Cupertino (see text box examples, below).

- **Lead Agency:** Economic Development

Case Study: Yelp Shop Local Pledge

In 2012, Yelp created a program to encourage users to shop at independent retailers in their local areas for the holiday season. Users were asked to pledge to shop locally. For participants in the South Bay/Peninsula area, Yelp sponsored several events to promote independent retailers, such as happy hours and pop up events.

Case Study: American Express Shop Small and Small Business Saturday

Shop Small is a program sponsored by American Express to promote small businesses. Participants in the free program can get personalized marketing materials and other assistance promoting their businesses through the platform as well as a listing on the Shop Small Map. "Neighborhood Champions" are local business associations, chambers of commerce, or other community organizers that organize events to promote Small Business Saturday, the first Saturday after the Thanksgiving holiday. In the past, American Express has offered credits for purchases made on that day.

Sources: Yelp Official Blog, 2012, https://www.yelpblog.com/2012/12/get-your-local-shop-on-with-yelp-this-holiday-season; American Express Shop Small, https://www.americanexpress.com/us/small-business/shop-small/.

STRATEGY 9

Develop policies for regulating food trucks and other mobile services, including the types of mobile services that are permitted, the locations and times when they may operate, and measures for mitigating environmental, traffic, and other impacts.

Mobile services include food trucks, mobile auto care services, mobile dry cleaning, and any other goods and services offered from a vehicle. These services create an opportunity to fill existing gaps in services, stimulate economic activity, and activate underutilized spaces with events and programming. In Silicon Valley, many major corporations regularly host mobile vendors on campus in order to provide convenient services for workers. However, the increasing popularity of mobile services has also raised concerns in many communities about public safety, sanitation, traffic, and competition with existing brick-and-mortar businesses. Many California cities are revisiting their regulatory framework to ensure that mobile services can continue to provide needed goods and services without detracting from local businesses or the community's quality of life.

Ongoing City Efforts:

9.1 Issue limited special events permits for food truck events, and require mobile service vendors to apply for a Cupertino business license in order to operate in the City. Currently, Cupertino companies or other organizations can apply for up to four special events permits per year to host food truck or other mobile services events. Food trucks are required to obtain a Cupertino business license in order to operate in the City.

- **Lead Agencies:** Planning, Economic Development

9.2 Support the weekly Off the Grid food truck festival in the Whole Foods parking lot. Off the Grid Cupertino is held every Tuesday evening in the Whole Foods parking lot on Stevens Creek Boulevard and features a rotating assortment of food trucks.

- **Lead Agencies:** Planning, Economic Development

Category 1 Actions:

9.3 Work with Chamber of Commerce to reach out to mobile service vendors, ensure that they aware of existing local and state laws and regulations, and involve them in Chamber activities. Currently, mobile service vendors receive information about joining the Cupertino Chamber of Commerce when they apply to receive a business license. Planning and Economic Development staff could partner with Chamber staff to conduct additional, proactive outreach at Off the Grid and other mobile service events, in order to inform vendors about opportunities to participate in Chamber activities and ensure that businesses are aware of local and state laws and regulations.

- **Lead Agencies:** Planning and Economic Development
- **Partners:** Chamber of Commerce

Category 2 Actions:

9.4 Conduct outreach to Cupertino residents and the local business community on appropriate locations and regulations for mobile services. Brick-and-mortar business owners sometimes perceive mobile vendors as having an unfair advantage because they do not pay rent or property taxes, and in

some instances may avoid paying sales tax as well. Regulating the number of food trucks that can gather in a particular site or district may help address retailers' concerns about impacts on local businesses, in addition to addressing traffic and safety issues. Economic development programs that seek to activate underutilized areas or attract more street activity (such as the Fremont Street Eats program described in the text box below) can also help brick-and-mortar retailers recognize an advantage to allowing food trucks or other mobile services to locate nearby. By conducting outreach to concerned business owners and residents, the City can help educate stakeholders about the potential impacts of food trucks, and determine what types of policies or regulations might be best suited for Cupertino.

- **Lead Agencies:** Planning and Economic Development
- **Partners:** Retail Businesses, Residents, Mobile Food Vendors

9.5 Develop policies to allow and manage mobile service vendors, which may include a new licensing and/or permitting process. Policies should be tailored to meet Cupertino's specific needs and conditions. For example, based on community and business feedback and further study, the City could create new licensing or permitting processes that restrict mobile vendors to specific geographic areas within the city, times of day, or special events. The text box below provides an example of the City of Mountain View's recently adopted permitting process for mobile vendors.

- **Lead Agencies:** Planning and Economic Development
- **Partners:** Retail Businesses, Residents, Mobile Food Vendors

Case Study: Mountain View's Permitting Process for Mobile Vendors

In 2013, the City of Mountain View passed an ordinance to address concerns about traffic flow and public safety arising from the increased presence of mobile vendors in that community. The ordinance also streamlined street vendor permitting to account for mobile services operating on both public and private property, rather than on designated sites. Mountain View's rules address safety and congestion by requiring mobile vendors to maintain a minimum distance of 100 feet from schools, and by limiting vending on private property to a maximum of four hours on a particular site per day, with no more than three vendors on a property simultaneously. A separate Temporary Use permitting process was created to allow for longer hours and larger clusters of vendors at food truck rallies and other special events. In Mountain View's downtown area, vendors are prohibited from operating on the most centralized streets. This restriction is an additional safety measure that also mitigates some of the competitive concerns of brick-and-mortar stores in that area.

Case Study: Fremont Street Eats

Beginning in 2013, the City of Fremont began working with the Fremont Chamber of Commerce to establish a weekly food truck event in Downtown Fremont. Fremont Street Eats is now a weekly event in its third season, sponsored by the Chamber. Street Eats was intended as an economic development program intended to help activate the Downtown. Many existing businesses, including small retailers and restaurants, consider the program a successful economic development effort because it helps bring pedestrian traffic to an area that was historically underused.

Fremont Street Eats
Image: Fremont Chamber of Commerce

Sources: Interviews with Chris Costanzo, Code Enforcement, City of Mountain View and Jessica von Borck, Deputy City Manager, City of Fremont; Intuit Network, "Food Trucks Motor Into the Mainstream," December 2012, http://network.intuit.com/wp-content/uploads/2012/12/Intuit-Food-Trucks-Report.pdf; Silicon Valley Economic Development Alliance, Unpublished White Paper.

ISSUE D: HOSPITALITY

STRATEGY 10

Provide adequate hotel rooms and event venues to support the City's General Fund and meet business needs.

Transient occupancy taxes (TOT) generated by hotels are a significant source of revenues to the City's General Fund. Cupertino's existing hotels perform very strongly, driven by business travel associated with the expanding tech sector. Occupancy rates are very high (approaching 90 percent on weekdays), and business travelers often struggle to find rooms in or near Cupertino unless they book well ahead. In addition, because of the competition for hotel conference space, Cupertino civic organizations have struggled to find affordable space for meetings and events. The strong office market, along with Apple's planned expansion, suggest that demand for hotel rooms in Cupertino will remain strong for the foreseeable future. Expanding the supply of hotel rooms and event space could help support Cupertino's businesses and civic organizations, and support increased TOT revenues. In addition, enabling more business travelers to stay in Cupertino could help support local restaurants and other retailers.

Category 1 Actions:

10.1 Monitor the need for additional hotel rooms and meeting space. Continue tracking hotel occupancy rates and conference bookings to determine whether the hotel supply is meeting demand.

- **Lead Agency:** Planning, Economic Development

Category 2 Actions:

10.2 Consider increasing allocation for new hotel development, prioritizing proposals that include ample meeting and event space for businesses and community use. As part of a public benefits agreement for a new hotel project, the City Council could require developers to set aside low-cost space for civic and community organizations to hold events and meetings.

- **Lead Agency:** Planning

ISSUE E: MARKETING

STRATEGY 11

Develop an integrated approach to marketing Cupertino to brokers, business owners, and others as a center for innovation and the heart of Silicon Valley.

Cupertino is well known throughout the region – and the world – as the home of Apple, and the city is considered a highly prestigious business address second only to the North Valley cities of Palo Alto, Mountain View, and Menlo Park. The City's current website and other marketing materials are largely geared towards highlighting business resources and promoting existing retailers and other local businesses and organizations. In order to help maintain and expand the City's reputation and attract a diverse range of businesses, these materials could be repositioned to communicate more directly to the business community and market the City's unique assets, including its innovative tech sector, central location, and highly skilled workforce.

Ongoing City Actions:

11.1 Continue "Cupertino Business Buzz" electronic business newsletter featuring updates on local small businesses. The Business Buzz is published on a quarterly basis and highlights business resources and events as well as city initiatives related to economic development.

- **Lead Agency**: Economic Development

11.2 Continue to offer the GreenBiz Cupertino program, which provides support to interested small/mid-size businesses, non-profit organizations, and schools in navigating the statewide Green Business Program certification process. The City's GreenBiz team works with businesses to create a plan for conserving energy and water, minimizing material use and disposal, preventing pollution, and cutting costs. The team also connects businesses to services, free equipment, and financial incentives to help achieve certification requirements. The program has been recognized as a leader in environmental sustainability with awards from ICLEI, the Silicon Valley Leadership Group, Green Technology, and Acterra.

- **Lead Agency:** GreenBiz Cupertino

Category 1 Actions:

11.3 Update the City's marketing materials with current economic data. The City's website and market materials require regular updating in order to provide more current information on demographics, employment by sector, and top sales tax producers.

- **Lead Agency**: Economic Development

11.4 Update the Economic Development and business-related webpages as part of the City's overall website redesign. Economic Development can partner with the City's Communications team to upgrade business-related webpages and ensure consistency with the redesigned City website.

- **Lead Agencies**: Economic Development, Communications

11.5 Expand the resources available on the Economic Development website by providing links to or embedding maps and information from other relevant websites. For example, this could include the Silicon Valley Economic Development Alliance's commercial real estate listing website (AREAS Silicon Valley), and the business resources available on the Santa Clara County Library District's website.

- **Lead Agencies**: Economic Development, Communications

Category 2 Actions:

11.6 Partner with other West Valley cities to develop marketing materials that market the sub-region as a center of innovation. The City may consider partnering with other West Valley cities, which share some common characteristics, to broaden the reach of its marketing efforts and establish the West Valley as a hub of innovation. This coordination could take place through the Silicon Economic Development Alliance, which is comprised city and county economic development professionals throughout San Mateo, Santa Clara, Santa Cruz, and southern Alameda Counties and of which Cupertino is an active member.

- **Lead Agency**: Economic Development
- **Partners:** Silicon Valley Economic Development Alliance

Category 3 Actions:

11.7 Develop a brand identity focused on economic development (logo, wordmark, and colors) The City could develop a new brand identity (separate from the existing citywide identity) to support economic development initiatives. The brand identity would be intended to communicate Cupertino's assets, such as the City's strengths in the innovation industries, including arts and design. The marketing identity should be developed through a collaborative process involving focus groups, one-on-one interviews, and other outreach to the business community to help define a focused marketing approach. The City may also wish to hire a marketing and communications specialist to assist with this effort. The text box below provides examples of brand identities developed by the cities of Fremont, San Jose, and Santa Cruz.

- **Lead Agencies**: Economic Development, Communications
- **Partners**: Chamber of Commerce, Businesses

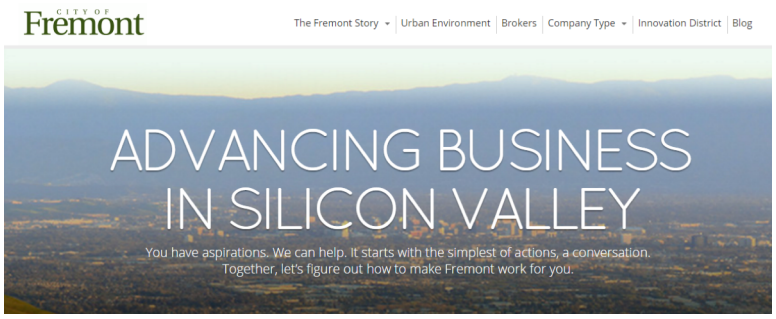
11.8 Redesign the Economic Development website, "Cupertino Business Buzz" electronic business newsletter, and other marketing efforts with a consistent brand. As part of establishing a consistent brand for economic development, review existing communications materials to identify potential areas for improvement, and create new materials as necessary to reflect the brand.

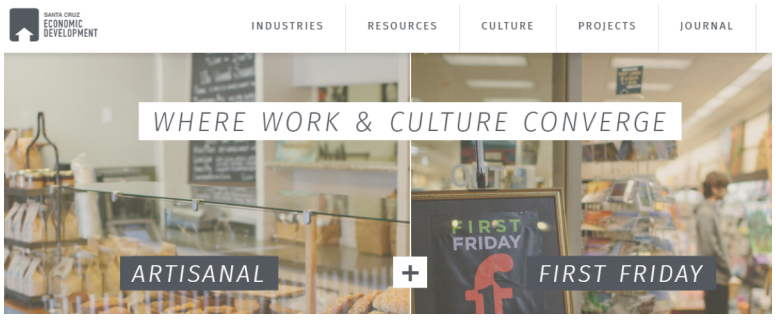
- **Lead Agencies**: Economic Development, Communications
- **Partners**: Chamber of Commerce, Businesses

Branding and Marketing Campaign in Fremont, Santa Cruz, and San Jose

In 2013, Fremont commissioned a communications consulting firm to help with a media relations campaign. This effort led to the creation of a state-of-the-art website, thinksiliconvalley.com, devoted to the City's economic development communications. The website introduces and reinforces a branding message that closely associates the City with Silicon Valley, by dubbing Fremont "Silicon Valley East."

Other cities looking to attract business investment, such as Santa Cruz and San Jose, have also rolled out visually appealing web presences that rely on many of the principles a typical startup venture would use. Common to all these websites are a prominent brand message (San Jose is "The Capital of Opportunity", while Santa Cruz is "Where Work & Culture Converge"), vivid imagery (particularly through photographs), and evolving content, though a blog, newsfeed, and links to social media.





Sources: "Hitching website wagon to tech capital puts Fremont on the map", Ragan's PR Daily; City of Fremont, http://thinksiliconvalley.com; City of San Jose,http://sjeconomy.com; City of Santa Cruz, http://choosesantacruz.com.

IV. APPENDIX: MATRIX OF STRATEGIES AND IMPLEMENTATION ACTIONS

Key Issues, Strategies, and Menu of Potential Action Items

Key Issues and Strategies	Ongoing City Efforts	**Category 1** *Actions that require small amounts of additional staff time*	**Category 2** *Actions that require significant staff time, and/or legislative action*	**Category 3** *Actions that require additional budget allocation*	Notes and Comments
Issue A: Connectivity and Place-Making					
Strategy 1. Invest in public realm improvements to support the development of the City's commercial/retail and mixed-use areas as pedestrian-oriented corridors.	1.1 Implement the land use and design guidelines from the Heart of the City Specific Plan; require new development to contribute to planned streetscape and infrastructure improvements. 1.2 Implement the land use and transportation policies in the General Plan and Conceptual Plans to ensure that site, building, street, and streetscape design support the City's goals for community character and connectivity.	1.3 Support community programming at activity centers along major corridors.	1.4 Develop an implementation plan for improving major corridors such as Stevens Creek Boulevard, including identifying phasing and specific funding sources for planned improvements. 1.5 Pursue grants for streetscape and other improvements as they become available.	1.6 Allocate funds in the City's capital improvement program to implement landscaping, pedestrian, and other infrastructure improvements envisioned in the Heart of the City Specific Plan and other Conceptual Plans.	

Key Issues and Strategies	Ongoing City Efforts	**Category 1** *Actions that require small amounts of additional staff time*	**Category 2** *Actions that require significant staff time, and/or legislative action*	**Category 3** *Actions that require additional budget allocation*	Notes and Comments
Strategy 2. Support local and regional transportation improvements that improve transit, pedestrian and bicycle connections to employment and activity centers in Cupertino.	2.1 Implement and regularly update the Bicycle Transportation Plan, including pursuing grants as they become available. 2.2 Require major employers to meet transportation demand management goals. 2.3 Actively participate in regional transportation planning processes and advocate for decisions that meet Cupertino's needs. 2.4 Work with Caltrans and the Santa Clara Valley Transportation Authority to explore new regional transit options, such as on Highway 85.	2.5 Work with major employers to leverage corporate transportation programs (e.g., shuttles, bike share) to benefit the community as a whole.	2.6 Work with regional and county agencies to explore new funding sources for local and regional transit improvements. 2.7 Pursue grants for high priority transportation projects as they become available. 2.8 Prioritize investments in bicycle, pedestrian, and other transportation improvements that connect workers and workplaces with local retailers. 2.9 As part of the approvals process for large commercial development projects, design a community benefits policy that encourages projects to provide transportation demand management programs, potentially including a community shuttle.		

Key Issues and Strategies	Ongoing City Efforts	**Category 1** *Actions that require small amounts of additional staff time*	**Category 2** *Actions that require significant staff time, and/or legislative action*	**Category 3** *Actions that require additional budget allocation*	Notes and Comments
Issue B: Support Growth of Small and Midsize Businesses					
Strategy 3. Facilitate the development of new office and industrial/flex space for small and midsize companies to expand in Cupertino.	3.1 Encourage office developers to reserve space for small offices.		3.2 Increase allocation for office development for mid-size businesses in the 20,000-100,000 sq. ft. range. 3.3 Create a new development allocation category for innovation space. 3.4 Consider establishing a new “Innovation District” in the Bubb Road and/or Bandley Drive/Valley Green Drive areas. 3.5 Review and update land uses in the zoning designations related to Office and Industrial uses to adapt to current and future business needs. 3.6 Allow for the conversion of underutilized ground floor retail space to office space. 3.7 Conduct parking study to review parking ratios for retail/ commercial/ office uses.		• Allowing for the conversion of underutilized ground floor retail space to office space may require a zoning change in some locations, such as in the Heart of the City Specific Plan area.

Key Issues and Strategies	Ongoing City Efforts	**Category 1** *Actions that require small amounts of additional staff time*	**Category 2** *Actions that require significant staff time, and/or legislative action*	**Category 3** *Actions that require additional budget allocation*	Notes and Comments
Strategy 4. Support development of business incubator, accelerator, coworking, shared, and "on-demand" workplaces			4.1 Allow for the conversion of underutilized ground floor retail space to incubator or coworking uses.	4.2 Seek out partnerships for developing a new small business incubator or accelerator, and consider contributing City funds if needed.	• Note that the conversion of retail space for other, higher-intensity uses may require property owners to make investments to serve such businesses. See Strategy 7 for discussion of property owner incentives.
Strategy 5. Continue and strengthen visitation and outreach programs for small and midsize businesses (fewer than 250 employees).	5.1 Conduct outreach to existing businesses, including regularly visiting local businesses to discuss programs, events, and/or incentives that may be of interest. 5.2 Distribute and regularly update “How to Start Your Business in Cupertino” booklet. 5.3 Continue to host the annual Small Business Symposium.	5.4 Provide assistance to new and expanding businesses with obtaining needed permits and licenses from the City and other agencies. 5.5 Identify growing, small and midsize companies that are at risk of moving out of Cupertino as they expand, and focus existing business retention efforts on these companies. 5.6 Work with local brokers to match growing companies to space in Cupertino. 5.7 Conduct an online survey of existing businesses to determine key advantages and disadvantages of doing business in Cupertino.	5.8 Conduct regular outreach to growing small and midsize businesses to determine what services would help them expand in Cupertino, including individual visits, roundtables or focus groups, and citywide events.		

Key Issues and Strategies	Ongoing City Efforts	**Category 1** *Actions that require small amounts of additional staff time*	**Category 2** *Actions that require significant staff time, and/or legislative action*	**Category 3** *Actions that require additional budget allocation*	Notes and Comments
Strategy 6. Develop a cohesive business support network offering technical assistance and access to financing, with a focus on enabling growing businesses to stay in Cupertino.	6.1 Meet regularly with local and regional business organizations and technical assistance providers to build partnerships. 6.2 Continue to hold quarterly meetings with Economic Development Committee.	6.3 Explore additional opportunities to connect small businesses with existing micro-credit providers or other small business lenders.	6.4 Partner with technology programs at De Anza College and at middle and high schools to connect students to Cupertino businesses. Students could offer technical support in building websites and applications, participating in hackathons, and other activities. 6.5 Establish the City of Cupertino as a Kiva Zip trustee to find and endorse local businesses seeking to borrow money on the Kiva Zip website. (Trustees have no financial liability for loans and do not handle the loans, but their reputation is tied to the repayment rate of the borrowers they endorse.)	6.6 Contract with business assistance providers to provide targeted services to Cupertino businesses, or hire staff and provide services in-house. 6.7 Provide seed capital to start a revolving loan fund to provide small loans for small and midsize businesses in Cupertino for business expansion and other business needs.	

Key Issues and Strategies	Ongoing City Efforts	**Category 1** *Actions that require small amounts of additional staff time*	**Category 2** *Actions that require significant staff time, and/or legislative action*	**Category 3** *Actions that require additional budget allocation*	Notes and Comments
Issue C: Retail Support and Development					
Strategy 7. Work with retail property owners and tenants to revitalize and upgrade aging shopping centers on Stevens Creek Boulevard.			7.1 Provide incentives in key locations for upgrading or intensifying retail and/or replacing retail with mixed-use development. 7.2 Develop design standards for retail space in mixed-use developments to ensure that new retail space contributes to the desired look and feel of the community, and functions well for retailers. 7.3 Conduct outreach to Stevens Creek property and business owners to explore the potential to form a BID or PBID on all or part of the Stevens Creek corridor, to fund marketing, landscaping, maintenance, and/or other local needs.	7.4 Provide grants or loans to retail property owners and/or tenants to encourage them to upgrade their façades.	
Strategy 8. Support emerging restaurant, entertainment, and shopping clusters that serve as destinations for workers, residents, and visitors.	8.1 Meet regularly with retail and commercial brokers to answer questions, build relationships, and get updates on projects 8.2 Represent the City at ICSC and other local and regional conferences. 8.3 Maintain “Eats 95014” app/website and “Cupertino at a Glance” website	8.4 Work with brokers and retail site selection professionals to market Cupertino to desired tenants, such as high-end restaurants and comparison retailers, and match retailers with appropriate sites in Cupertino.	8.5 Create a marketing campaign to increase awareness of local retailers and service providers among workers employed at Cupertino businesses. 8.6 Seek out social media partnerships to promote shopping local.		

Key Issues and Strategies	Ongoing City Efforts	**Category 1** *Actions that require small amounts of additional staff time*	**Category 2** *Actions that require significant staff time, and/or legislative action*	**Category 3** *Actions that require additional budget allocation*	Notes and Comments
Strategy 9. Develop policies for regulating food trucks and other mobile services, including the types of mobile services that are permitted, the locations and times when they may operate, and measures for mitigating environmental, traffic, and other impacts.	9.1 Issue limited special events permits for food truck events, and require mobile service vendors to apply for a Cupertino business license in order to operate in the City. 9.2 Support the weekly Off the Grid food truck festival in the Whole Foods parking lot.	9.3 Work with Chamber of Commerce to reach out to mobile service vendors, ensure that they aware of existing local and state laws and regulations, and involve them in Chamber activities.	9.4 Conduct outreach to Cupertino residents and the local business community on appropriate locations and regulations for mobile services. 9.5 Develop policies to allow and manage mobile service vendors, which may include a new licensing and/or permitting process.		
Issue D: Hospitality					
Strategy 10. Provide adequate hotel rooms and event venues to support the City's General Fund and meet business needs.		10.1 Monitor the need for additional hotel rooms and meeting space.	10.2 Consider increasing allocation for new hotel development, prioritizing proposals that include ample meeting and event space for businesses and community use.		

Key Issues and Strategies	Ongoing City Efforts	**Category 1** *Actions that require small amounts of additional staff time*	**Category 2** *Actions that require significant staff time, and/or legislative action*	**Category 3** *Actions that require additional budget allocation*	Notes and Comments
Issue E: Marketing					
Strategy 11. Develop an integrated approach to marketing Cupertino to brokers, business owners, and others as a center for innovation and the heart of Silicon Valley.	11.1 Continue “Cupertino Business Buzz” electronic business newsletter featuring updates on local small businesses 11.2 Continue to offer the GreenBiz Cupertino program, which provides support to interested small/mid-size businesses, non-profit organizations and schools in navigating the statewide Green Business Program certification process	11.3 Update the City's marketing materials with current economic data. 11.4 Update the Economic Development and business-related webpages as part of the City's overall website redesign. 11.5 Expand the resources available on the Economic Development website by providing links to or embedding maps and information from other relevant websites.	11.6 Partner with other West Valley cities to develop a common message and coordinate marketing efforts.	11.7 Develop a brand identity focused on economic development (logo, wordmark, and colors). 11.8 Redesign the Economic Development website, “Cupertino Business Buzz” electronic business newsletter, and other marketing efforts with a consistent brand.	